

title as income to the taxpayer or, in the case of a foreign corporation, the proportion of such interest which the amount of its gross income from sources within the United States bears to the amount of its gross income from all

come, war profits and excess profits taxes; or (b) by the authority of any of its possessions, except the amount of income, war profits and excess profits taxes allowed as a credit under section

credit under section 235, or (e) in the case of a foreign corporation, by the authority of any foreign country (except

value of the property assessed), upon the property or business: Provided, That in the case of obligations specified in sub-

(5) Debts ascertained to be worthless and charged off within the taxable year;

(6) Amounts received as dividends from a corporation which is taxable under this title upon its net income, and amounts received as dividends from a personal service corporation out of earnings.

(5) In the case of buildings, machinery, equipment, or other facilities constructed, erected, installed or ac-

quired, on or after April 8, 1917 for the production of articles contributing to the prosecution of the present war, and in the case of vessels constructed or acquired on or after such date for the transportation of articles or men contributing to the prosecution of the present war, there shall be allowed a reasonable deduction for the amortization of such part of the cost of such facilities on vessels as has been borne by the tax-

payer, but not again including any amount otherwise allowed under this title or previous acts of Congress as a deduction in computing net income. At any time within three years after the termination of the present war the Commissioner may, and at the request of the taxpayer shall, reexamine the return.

and if he then finds as a result of an appraisal or from other evidence that the deduction originally allowed was incorrect, the taxes imposed by this title and by Title III for the year or years affected shall be redetermined; and the amount of tax due upon such redetermination, if any, shall be paid upon notice and demand by the collector, or the

(9) In the case of mines, oil and gas wells, other natural deposits, and timber, a reasonable allowance for depletion and for depreciation of improvements on the land, and the depletion and depreciation of the land itself, shall be allowed in computing the taxable income of the owner of such property.

ments, according to the peculiar conditions in each case, based upon cost including cost of development not otherwise deducted: Provided, That in the case of such properties acquired prior to March 1, 1913, the fair market value of the property (or the taxpayer's interest therein) on that date shall be taken in lieu of cost up to that date.

Provided further, That in the case of mines, oil and gas wells, discovered by the taxpayer, on or after March 1, 1913, and not acquired as the result of purchase of a proven tract or lease, where the fair market value of the property is materially disproportionate to the cost, the depletion allowance shall be based upon the fair market value of the property.

erty at the date of the discovery, or within thirty days thereafter; such reasonable allowance in all the above cases to be made under rules and regulations to be prescribed by the Commissioner with the approval of the Secretary. In the case of leases the deductions allowed by this paragraph shall be equitable apportionments between the lessor and

(10) In the case of insurance companies, in addition to the above: (a) The net addition required by law to be made within the taxable year to reserve funds (including in the case of assessment insurance companies the actual deposit of sums with State or territorial

(11) In the case of corporations issuing policies covering life, health and accident insurance combined in one policy issued on the weekly premium basis:

plan continuing for life and not subject to cancellation, in addition to the above each portion of the net addition (not required by law) made within the taxable year to reserve funds as the Commissioner finds to be required for the protection of the holders of such policies only.

(12) In the case of mutual marine insurance companies, there shall be allowed, in addition to the deductions allowed in paragraphs (1) to (10), inclusive, amounts repaid to policy holders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment and the payment thereof.

(13) In the case of mutual insurance companies (other than mutual life or mutual marine insurance companies), requiring their members to make premium deposits to provide for losses and expenses, there shall be allowed, in addition to the deductions allowed by paragraphs (1) to (10), inclusive, such otherwise allowed under such regulations as the Commissioner may deem proper.

(14) (A) At the time of filing return for the taxable year 1913 a taxpayer may file a claim in abatement based on

the fact that he has sustained a substantial loss (whether or not actually realized by sale or other disposition) resulting from any material reduction in value due to temporary fluctuations in the value of the inventory for such taxable year, or from the actual payment, at the close of such taxable year, of damages in pursuance of contracts or

into during such year upon sales made during such year. In such case payment of the amount of the tax covered by such claim shall not be required until the claim is decided, but the taxpayer shall accompany his claim with a check in double the amount of the tax covered by the claim, with sureties attached to the check.

to the Commissioner, conditioned on the payment of any part of such tax to be due, with interest. If any such claim is disallowed, the remainder of the tax due shall be paid and demand by the collector be made on the taxpayer with interest at the rate of 1 per centum per month from the time the tax would have been due had

such claim been filed. If it has been, the satisfaction of the Commissioner that such substantial loss has been obtained, then in computing the loss imposed by this title and by regulations, the amount of such loss shall be taken from the net income. (1) In no case

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